

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: May 28, 2010
POSITION: Neutral
SPONSOR: Department of Insurance

BILL NUMBER: AB 2782
AUTHOR: Assembly Insurance

BILL SUMMARY: Insurance Omnibus

This bill would make various changes to investment law and licensing. This bill also would make several conforming changes to align California law with the National Association of Insurance Commissioners (NAIC) Producer Licensing Model Act (PLMA).

FISCAL SUMMARY

The Department of Insurance (DOI) indicates any costs associated with this bill would be minor and absorbable.

COMMENTS

Under existing law, the DOI regulates insurance-related licensing and foreign investments made by state insurers. The DOI regularly sponsors legislation to clarify its responsibilities and authority, as well as to align statute with the NAIC PLMA.

This bill would:

- Allow insurers who invest in mutual funds that make investments in foreign securities to hold the fund's assets outside of the the United States.
- Require accident and health agent licensure to transact disability insurance.
- Separate fire and casualty broker-agent licenses into property broker-agent licenses and casualty broker-agent licenses.
- Authorize the DOI to issue a restricted license to a business entity under specified circumstances.
- Align Insurance Code with the NAIC PLMA with respect to the definition of "Credit Insurance Agent".
- Extend the bail agent and solicitor license from a one-year term to a two-year term.
- Repeal the sunset date (December 31, 2010) authorizing the Insurance Commissioner to receive "qui tam" case attorney fees and costs as part of the judgment.
- Make other minor, conforming, and related changes and delete obsolete provisions.

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| Analyst/Principal (0221)John Fitzpatrick | Date | Assistant Program Budget Manager | Date |
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| Department Deputy Director | Date |
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| Governor's Office: | By: | Date: | Position Approved_____ |
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| BILL ANALYSIS | Form DF-43 (Rev 03/95 Buff) |
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BILL NUMBER

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| | SO | (Fiscal Impact by Fiscal Year) | | | | | | | |
| Code/Department | LA | (Dollars in Thousands) | | | | | | | |
| Agency or Revenue | CO | PROP | | | | | | | Fund |
| Type | RV | 98 | FC | 2010-2011 | FC | 2011-2012 | FC | 2012-2013 | Code |
| 0845/Insurance | SO | No | | ----- | No/Minor | Fiscal Impact | ----- | | 0217 |
| <u>Fund Code</u> | <u>Title</u> | | | | | | | | |
| 0217 | Insurance Fund | | | | | | | | |